

# Materials costs squeeze industry

COMMODITIES  
News analysis

Manufacturers say that rising prices are going to weigh on margins despite strong earnings, writes **Ed Crooks**

Rising prices for commodities such as oil and steel and inflation in emerging economies are a threat to the revival of US manufacturing industry, executives at some of the leading companies have warned.

Manufacturers such as United Technologies, Honeywell, Eaton, Ford Motor and Boeing have been reporting stronger-than-expected earnings for the first quarter and often raising their forecasts of growth for the full year.

The industrial sector has been the second strongest in the S&P 500 this year, outperformed only by energy.

While manufacturers' confidence in the global outlook has been growing, concerns about rising commodity prices, inflation in emerging economies, and the policy responses to those price rises have become increasingly pressing. This year, oil has risen by 22 per cent for benchmark Brent crude, while steel is up 17 per cent, driven by continuing strong demand in emerging economies and the recovery in the developed world.

United Technologies, which makes Pratt & Whitney jet engines and Otis lifts, said it had been surprised by the strength of demand right across the business.

But Greg Hayes, chief financial officer, told the Financial Times: "Commod-



Seeing the bright side: GE is hoping that higher fuel costs will encourage customers to invest in its energy-saving equipment

Bloomberg

ity inflation is the one thing that really concerns us this year."

The threat is not so much the squeeze on margins created by higher costs, although that is having an effect. Ford warned that earnings for the rest of the year might not be as strong as in its bumper first quarter, in part because of rising raw materials costs.

However, the large global manufacturers generally seem able to pass on their higher costs to their customers, albeit with a lag.

Eaton, which makes industrial equipment and components, reported strong earnings growth that would have been even stronger but for a delay in raising its prices, but said that was only a temporary problem.

Sandy Cutler, Eaton's chief executive, pointed out that during 2003-07, when prices for energy and other commodities were rising steadily, the company had still been able to expand its margins.

3M, the diversified manufacturer, also suffered a

squeeze on margins from raw materials prices in the first quarter, but David Meline, its chief financial officer, told analysts on a conference call that "for the full year 2011, selling price increases are expected to offset raw material inflation".

The real threat for these companies is that the commodity price effect might hit demand, perhaps as a result of tighter monetary or fiscal policy intended to fight inflation.

David Anderson, chief financial officer of Honeywell, which makes parts for aircraft and vehicles as well as industrial equipment, said: "The industrial economy is doing very well, despite the challenging headlines."

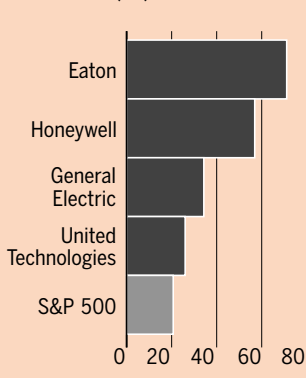
But he added that the greatest risk he saw was "if we have significantly greater commodity inflation and an oil price shock to the economy, and geopolitical instability, which could be interrelated."

There are winners as well as losers from higher oil prices. General Electric has been rapidly building up its business serving the oil and gas industry, buying Wellstream for \$1.3bn and the well support division of John Wood Group for \$2.8bn, and rising prices will mean more demand for its services.

GE also hopes that higher

## US industrials

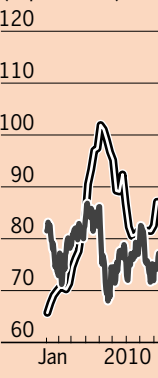
Share price growth since Jan 1 2010 (%)



Sources: Thomson Reuters Datastream; Bloomberg

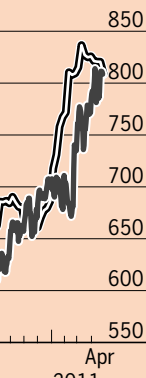
## Oil price

Nymex front-month (\$ per barrel)



## Steel price\*

\$ per tonne



\* Hot rolled coil

fuel costs will encourage customers to invest in its energy-saving equipment.

Keith Sherin, GE's chief financial officer, said that a rising oil price "so long as it's gradual, is a net positive... At the range it's in, it's not a real problem."

Similarly, Jim McNeerney, the chief executive of Boeing, said on a call to analysts and media on Wednesday that "high-ish" oil prices could help push airlines towards buying his company's fuel-efficient aircraft. However, he added: "The concern is if oil prices get to the point where it has a significant impact on overall economic activity."

So far, there has been little sign of that. Worldwide flight hours, for example – a key indicator for aerospace

companies – rose by 5.8 per cent in the first quarter, to exceed their 2008 peak.

Nor are interest rate rises in emerging economies such as Brazil and China yet having much effect on demand for US manufacturers' products. Mr Cutler of Eaton said he remained "very positive" about those countries.

While inflation has been rising in the US and Europe in recent months, it remains relatively subdued. Yet, in a world in which economic clout has shifted to Asia and Latin America, rising prices there could still be a significant threat.

*Additional reporting by Hal Weitzman in Chicago*

**See Markets beyondbrics: [www.ft.com/bb](http://www.ft.com/bb)**

## United Technologies seeks emerging market expansion

United Technologies would "love to do deals" and has the capacity to make acquisitions after absorbing General Electric's security business, according to Greg Hayes, its chief financial officer, writes **Ed Crooks**.

In particular, Mr Hayes told the Financial Times, the aerospace and building equipment group would like to add to its fire and security business in emerging markets.

With \$4.2bn of cash on the balance sheet, it has the capability to pay considerably more than the \$1.8bn it paid for the GE business in a deal that closed last year.

However, Mr Hayes said: "The bigger the prospect,

the harder it is to do deals."

Other leading US industrial groups are similarly cautious about larger deals.

Sandy Cutler, chief executive of Eaton, says the US industrial conglomerate has "both the financial and management capacity to make acquisitions again."

But in the company's strategic plan, showing projected sales growth of 12-14 per cent a year out to 2015, only 2-4 per cent would come from acquisitions.

General Electric, which has been on a small spending spree, has now put it on hold. Jeff Immelt, GE's chief executive, told analysts last week that after

spending \$11bn on building up the group's division serving the energy industry, especially oil and gas, it was now "done for 2011".

One company that was the subject of takeover speculation recently, Tyco International, which owns the ADT security business, has been played down as a target by potential buyers.

Mr Hayes of United Technologies told Bloomberg that while he would not comment on any specific company, "I will say it's very difficult for any US multinational to acquire a company based in Switzerland, where the tax rate is 15 per cent and our rate, the US statutory rate, is 35 per cent."

# Barrick Gold stands firm on Equinox bid

## MINING

By **Bernard Simon in Toronto and William MacNamara in London**

Barrick Gold has mounted a vigorous defence of its C\$7.3bn (US\$7.6bn) cash bid for Equinox Minerals amid concern that the world's biggest gold producer is taking on more risk by buying the Australian-Canadian copper miner.

Peter Munk, Barrick's chairman, told its annual meeting: "We'd be foolish, suicidal and totally wrong if we would ever contemplate letting go of our primacy in the gold industry".

But he added: "It would

be equally foolish to fall into the trap of companies that were riding high... and [then] disappeared because they were reluctant to change".

Barrick's shares have fallen 10 per cent since the bid for Equinox was unveiled on Monday. They lost 36 cents to C\$49.83 in early Wednesday trade.

Minmetals, the Chinese state-owned miner, abandoned its pursuit of Equinox less than a day after Barrick unveiled its bid, saying that the price offered by Barrick "is above our most optimistic assessment of value".

Barrick's \$7.6bn bid in part reflects the dwindling

number of targets in the copper sector. One of the last independent copper miner left is Lundin, the target of an Equinox bid before Barrick's move on Equinox. UBS Securities removed Barrick from its list of top-rated shares on the grounds that Equinox's flagship project, the Lumwana mine in Zambia, would increase political risk and concern about Barrick's diminished exposure to gold.

The acquisition would lower gold's contribution from 90 per cent of revenues to 82 per cent, based on current metal prices. In the longer term, Barrick estimates that Equinox and other projects in the pipe-

line will almost quadruple its copper output to more than 1bn pounds a year.

Rating agencies have cautioned that they may downgrade Barrick in view of the extra debt it is taking on to finance the acquisition, and the risks posed by its higher exposure to the copper market.

However, Aaron Regent, Barrick's chief executive, expressed confidence that "copper fundamentals are very positive and prices will continue to be supported for the foreseeable future".

Strong gold and copper prices lifted Barrick's first-quarter earnings to US\$1bn, or \$1 a share, from \$820m, or 82 cents, a year earlier.

# Protesters target Walmart in NY

## GENERAL RETAILERS

By **Barney Jopson in New York**

Walmart's chief executive Mike Duke was targeted by protesters as he gave his strongest signal yet of the company's renewed desire to open stores in New York, in spite of stiff political opposition.

Mr Duke, head of the world's largest retailer by sales, said: "We know there are millions of customers here in this great city that don't have easy access to a Walmart store. We would like to help solve that problem."

But within minutes of his comments at a New York

breakfast on Wednesday, the venue was besieged by demonstrators.

They accused the retailer of mistreating its workers and endangering small businesses, chanting: "Walmart cheats, Walmart hates, Walmart discriminates."

Walmart rejects such charges, but the pre-planned demonstration underscored the political challenges in the way of the retailer's strategy.

Walmart is seeking to revive the growth performance of its US business by moving beyond "big box" stores to open smaller outlets in large cities. New York, America's biggest urban retail market, stands out as the final frontier.

The retailer has saturated suburban and rural areas with its low-price Supercenter stores, but stores open at least a year have produced seven consecutive quarters of declining sales.

"We are very, very interested in New York," Mr Duke said at an event organised by the Wall Street Journal. But he



Walmart is seeking to move beyond 'big box' stores

added: "There are lots of steps in the process here."

Pointing to pent-up demand for Walmart among the city's consumers, he said the company's analysis of credit card transactions showed that last year New Yorkers had spent \$195m at Walmart stores they drove to outside the city.

Four years ago Mr Duke's predecessor expressed exasperation over the cost and difficulty of his attempts to enter New York and said: "I don't care if we are ever here." Walmart has warned to the city more recently and launched a campaign of lobbying and advertising to promote the benefits of its low prices, job creation and sales tax payments.

## Contracts & Tenders

**Mumbai Metropolitan Region Development Authority**  
(Government of Maharashtra Undertaking)  
MMRDA Building, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051, Phone: +91-022-2659 1239,  
Fax: +91-022-2659 4179, e-mail: [cemmrda@gmail.com](mailto:cemmrda@gmail.com);  
web: [www.mmrdamumbai.org](http://www.mmrdamumbai.org)

## CONSULTANCY SERVICES FOR "MUMBAI TRANS HARBOUR LINK"

### GLOBAL INVITATION FOR APPOINTMENT OF CONSULTANTS

Mumbai Metropolitan Region Development Authority (MMRDA) invites proposals from internationally reputed consultancy firms/ consortium of firms for techno-economic feasibility and complete transaction advisory services including bid process management for the proposed Mumbai Trans Harbour Link (MTHL) project connecting Sewri in Island city of Greater Mumbai and Nhava on Main land in Mumbai Metropolitan Region (MMR), Maharashtra, India on suitable Public Private Partnership (PPP) basis. The project envisages a 22 km long sea link road bridge with provision for metro corridor with appropriate dispersal systems. The detailed notice is available at [www.mmrdamumbai.org](http://www.mmrdamumbai.org)  
For further details contact Mr. S R Nandargikar, Chief Engineer on above mentioned contact details. The last date of submission of proposals is 15.6.2011 till 15.00 hrs.  
DATE: 26-04-2011  
Rahul Asthana, JAS  
Metropolitan Commissioner

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**TENDERS INVITED FOR SUPPLY OF SHIP BUILDING QUALITY STEEL MATERIALS vide Tender No. G25/PK/OPV-100 Dtd 23.04.2011 for ABS Grades 'B' & 'D' MS Plates, approx. weight 8350 MT and ABS Grade 'B' Bulb Sections, approx. weight 1041 MT for GSLYds 1217- 1223.**  
Interested parties may collect or download tender forms on or before 03.06.2011. For details contact M/s. Goa Shipyard Limited on Phone no. +91(0)832 2514083 or visit GSL website <http://www.goashipyard.com> OR [www.goashipyard.co.in](http://www.goashipyard.co.in).

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(A GOVERNMENT OF INDIA ENTERPRISE)  
VISAKH REFINERY, POST BOX NO.15, MALAKAPURAM, VISAKHAPATNAM - 530 011, (A.P.)  
Phone: 0891-289 4302/ 289 4305. Fax No. 0891-257 7139

**NOTICE INVITING TENDER**  
Sealed tenders are invited under two bid system at HPCL, Visakh Refinery:  
Item: Fresh Catalyst for FCCU-II, Tender No.: 11000044-HD-46002, EMD Amount: INR 27 Lakhs or USD 60,430, Last Date for Receipt of Tenders: 03-Jun-2011 at 11.00 Hrs IST  
Details and Tender Document are available at our Website <http://www.hindustanpetroleum.com>  
**GENERAL MANAGER - MATERIALS**

## Legal Notices

**UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK**  
**In re**  
**MOTORS LIQUIDATION COMPANY, et al.**  
**f/k/a General Motors Corp., et al.**  
**Debtors.**  
**Chapter 11 Case No. 09-50026 (REG) (Jointly Administered)**

## NOTICE OF (I) ENTRY OF ORDER CONFIRMING DEBTORS' SECOND AMENDED JOINT CHAPTER 11 PLAN AND (II) OCCURRENCE OF EFFECTIVE DATE

**TO ALL CREDITORS, EQUITY INTEREST HOLDERS, AND OTHER PARTIES IN INTEREST:**  
**PLEASE TAKE NOTICE** that an order (the "Confirmation Order") (ECF No. 99441) confirming the Debtors' Second Amended Joint Chapter 11 Plan, dated March 18, 2011 (ECF No. 9836) (the "Plan"), of Motors Liquidation Company and its affiliated debtors (collectively, the "Debtors"), was signed by the Honorable Robert E. Gerber, United States Bankruptcy Judge, and entered by the Clerk of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on March 29, 2011. Capitalized terms used herein but not otherwise defined have the meanings ascribed to such terms in the Plan.

**PLEASE TAKE FURTHER NOTICE** that the Confirmation Order is available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. The Confirmation Order is also available for registered users of the Bankruptcy Court's filing system by accessing the Bankruptcy Court's website ([www.nys.uscourts.gov](http://www.nys.uscourts.gov)) and for all parties at [www.motorsliquidationofedkt.com](http://www.motorsliquidationofedkt.com).

**PLEASE TAKE FURTHER NOTICE** that the Plan and its provisions are binding on the Debtors, the Post-Effective Date Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, the Avoidance Action Trust Administrator, any entity acquiring or receiving property or a distribution under the Plan, and any holder of a claim against or equity interest in the Debtors, including all governmental entities, whether or not the claim or equity interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan.

**PLEASE TAKE FURTHER NOTICE** that the Effective Date of the Plan (as defined in the Plan) occurred on March 31, 2011 and, as a result, the Plan has been substantially consummated.

**PLEASE TAKE FURTHER NOTICE** that all proofs of claim arising from the rejection of executory contracts or unexpired leases pursuant to the Plan must be filed with the Bankruptcy Court and served upon the Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, and the Avoidance Action Trust Administrator, at the addresses set forth in the Confirmation Order, on or before May 30, 2011. Any claims arising from the rejection of an executory contract or unexpired lease for which a proof of claim has not been filed by such date shall be forever barred and shall not be enforceable against the Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, and the Avoidance Action Trust Administrator, or any property to be distributed under the Plan, the GUC Trust, the Asbestos Trust, the Environmental Response Trust, and the Avoidance Action Trust.

Dated: New York, New York  
April 18, 2011

**WEIL, GOTSHAL & MANGES LLP**  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

Attorneys for Debtors and  
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MARKETS

# Tech firms navigate Congo strife

By DEVON MAYLE

While the aftermath of the Japanese earthquake is causing many companies to worry about the electronics supply chain, a different pall is hovering over a rare, blue-gray metal that is mined in the Democratic Republic of the Congo.

The substance is tantalum, an ingredient in components that are a mainstay of devices such as smartphones, digital tablets and personal computers. Big technology companies such as **Intel Corp.** and **Hewlett-Packard Co.**, which either use tantalum directly or buy semiconductors made with it, have started a push to find sources without links to war-torn regions of Africa.

A new U.S. law requires publicly traded companies to ensure key minerals in their products aren't coming from the Congo's rebel-controlled mines. A civil war in the Congo, the world's third-largest producer of tantalum, ended in 2003, but violence in the eastern part of the country continues.

The Dodd-Frank financial-regulation law, enacted in the U.S. last year, identifies four minerals—tantalum, tin, tungsten and gold—that are mined in the Congo and are blamed for helping to fund violent conflict there. Under the law, companies that use the four minerals must inform the U.S. Securities and Exchange Commission annually whether any of them in their supply chains originated in the Congo or nine neighboring countries. If they did, the companies must tell the SEC what efforts have been made to determine the source and custody chain of the minerals.

Rules implementing the law haven't been finalized. As it stands, the law doesn't punish companies that buy any of the four listed min-



Soldiers with a U.N. mission manned a post last year in Congo, a source of the semiconductor ingredient tantalum.

erals from the Congo, though punitive measures may be added.

Tantalum is used in parts such as capacitors, which store electric charges and help power most smartphones and other electronic devices. Companies such as Intel and AT&T Inc. don't buy directly from the Congo. They purchase finished products through suppliers that source from smelters, which in turn buy from traders on the ground.

While tech products typically contain only trace quantities of tantalum, companies in the technology industry are its biggest buyers. "We're working to get to a conflict-free space," says Chuck Mulloy, a

spokesman at chip giant Intel, which uses tantalum in its semiconductors.

Mr. Mulloy says Intel is working with the Electronic Industry Citizenship Coalition, an industry body, to review 25 smelters in eight countries that supply minerals that end up in electronic products.

Intel is also setting up systems to track the minerals from the ground all the way through the doors of its semiconductor plants, a step the company and the electronics industry had taken before the law was passed, Mr. Mulloy says.

The law will affect all technology companies publicly traded in the U.S. Oregon-based **TriQuint Semi-**

**conductor** Inc. is working with its suppliers to help them track the four affected minerals they use. **Dell** Inc. says it, too, is working with suppliers as they adjust purchasing processes. **Microsoft** Corp. is also among those scrambling to comply with the new legislation.

"The purpose is to cut off funding to people who kill people," says Rep. Barney Frank (D., Mass.), an author of the act. Conflict in eastern Congo is blamed for at least five million deaths since the late 1990s.

The minerals in question pass through many hands before reaching manufacturers, making tracing their origin difficult.

# A to-do list for Sony's PSN users

## [ Tech Europe ]

By BEN ROONEY



If you are a user of **Sony's** PlayStation Network then the fact that your credit-card

information could be in the wrong hands may be the least of your worries. Canceling a card isn't very hard. Protecting against the consequences of the loss of rich personal information is much trickier. With this in mind, if you think your data has been compromised, there are steps you should be taking now.

## Passwords

Graham Cluley, Senior Technology Consultant at Sophos, says the most important thing users should do now is to change their passwords. Of particular interest, he said, was that cybercriminals could use the information to target companies. If you use the same password on your corporate network, tied in with information from professional networking sites such as LinkedIn, then hackers could attempt to penetrate corporate networks to plant malware. Valid corporate information is the most valuable information on the black market. Mr. Cluley recommended using password management tools that allow you to have a strong, and unique, password for every site. Tools include LastPass, the open-source KeePass and for Mac users, iPassword.

## Phishing/Spam attacks

The richness of the data that may have been leaked leaves users open to highly-targeted attacks, known as "spear-phishing." "With your name, your email address, your personal address attacks could be very convincing indeed. Imagine if you got an email purporting to say that someone had attempted to deliver a parcel to your address, and it gave your address, suggesting you click on a link to 'track your parcel', well that would be highly convincing," said Mr. Cluley.

## Credit-card information

There is a divergence between the information from security consultants, and that from the card industry. A statement from the Financial Fraud Action (U.K.) says: "There is no need for customers to contact their bank or card company at this stage. However, customers should continue to do what they should normally be doing—checking their statement and keeping a close eye on their account for any unusual activity—if they spot any they should then contact their bank or card company." However, Mr. Cluley suggested that simply waiting and watching wasn't sufficient. "If Sony loses your credit card information, it's no different from you losing your credit card—you should cancel that card immediately," he said.

OPINION

# The Tehran-Damascus Axis

By AMIR TAHERI

When the Arab uprisings started in Tunisia this winter, there were no more enthusiastic cheerleaders than the Khomeinists in Tehran. Their cheering got louder when revolution spread to Egypt, and louder still when Libyans rose in revolt. But Tehran's cheering has begun to fade. The reason is that the revolt has spread to Syria, the mullahs' sole Arab ally.

## Reports that Iranian snipers are gunning down Syrian democracy activists are credible given the deep military and intelligence ties between the regimes.

A sign that Tehran may be getting nervous came last week when the Islamic *Majlis*, Iran's ersatz parliament, published a report on "The Arab Revolution." The authors ask for "urgent action to protect our strategic interests" in case the regime of President Bashar Assad is toppled.

What kind of action? Syrian opposition sources claim that Tehran has sent snipers to help Mr. Assad kill demonstrators. The regime used this tactic during the protests following the disputed presidential election of Mahmoud Ahmadinejad in 2009. (Neda Agha-Soltan, the young woman who became the symbol of the pro-democracy uprising in Iran, was killed by one such sniper.) President Barack Obama has also spoken of Iran's possible involve-

ment in Syria.

Whether or not Tehran has sent snipers to prop up Mr. Assad, the Islamic Republic is bound by treaty to help him fight "any threats against Syria's security and stability." Tehran and Damascus first signed a military cooperation treaty in 1998. At the time, Iran's minister of defense, Adm. Ali Shamkhani, stated publicly that the treaty would also cover "intelligence and security issues" with regard to dissident armed groups. Since then the treaty has been refined and deepened on several occasions, most recently under Mr. Ahmadinejad in 2008.

Syria is the only country with which the Iranian armed forces and the Islamic Revolutionary Guard Corps hold joint staff meetings at least once a year. Iran has also emerged as a major supplier of weapons and materiel to Syria, according to the official Iranian news agency IRNA.

Iran started using the Assad regime as a means of dividing the Arabs in the 1970s, when the shah wanted to squeeze the Baathist regime in Iraq. To this end, he supplied Syria with cut-price oil and aid totalling \$150 million in 1977. Under the mullahs, Syria retained its role in preventing the Arabs from ganging up against the then-fragile Islamic Republic.

Throughout its eight-year war against Saddam Hussein, Iran benefited from Syrian support, including vital intelligence on Iraqi armed forces. As a gesture of goodwill, Tehran arranged for some mullahs to issue fatwas declaring the Alawite minority, to which the Assad family belongs, to be "part of Islam." Most Islamic scholars, on the other hand, have



Brothers in arms: Mahmoud Ahmadinejad and Bashar Assad

long regarded the esoteric Alawite sect as heretical.

Iran and Syria also share an interest in Lebanon. Syrian despots have always dreamt of annexing Lebanon. And under the shah, Iran regarded itself as the protector of Lebanon's Shiite community.

Under the mullahs, Lebanon has been recast as "our revolution's perimeter of defense," in the words of Gen. Hassan Firuzabadi, chief of staff of the Iranian armed forces. In a speech in Tehran last month, Gen. Firuzabadi justified Iran's support for Hezbollah in Lebanon and for Hamas in the Palestinian territories by underscoring the role that the two groups played in fighting "the Zionist enemy." And because of its geographical proximity, Syria plays a crucial role in channeling arms from Iran to both Hezbollah and Hamas.

Iranian-Syrian cooperation in Lebanon has a long history. In the words of Iran's former President Hashemi Rafsanjani, the countries

worked together "to push the Americans out" with a suicide attack that killed 241 U.S. servicemen in 1983. In the decades that followed, Tehran and Damascus used Hezbollah in hostage-taking operations and assassinations of Western diplomats and Arab politicians.

Under Mr. Ahmadinejad, Iran has expanded its presence in Syria significantly. At least 14 Iranian "Islamic Cultural Centres" have opened across Syria, and hundreds of mullah missionaries have been sent to introduce Iranian-style Shiism to Syrians. Similar tactics in Lebanon have succeeded in "Iranizing" a large chunk of the Lebanese Shiite community.

The Assad regime has a larger strategic importance for the Islamic Republic. "We want to be present in the Mediterranean," Mr. Ahmadinejad said in a speech last month in Tehran, marking the arrival in the Syrian port of Latakia of a flotilla of Iranian war-

ships. This was the first time since 1975 that Iranian warships had appeared in the Mediterranean.

Indeed, Iran could build a presence in the Mediterranean through Syria and Lebanon. The Islamic Revolutionary Guard Corps has already developed mooring facilities in the Syrian port as a prelude to what may be a full-scale air and naval base.

Mr. Ahmadinejad, who believes that the United States is in historic retreat, sees Iran as the successor to the defunct Soviet Union as the principal global challenger to what he says is "a world system, imposed by Infidel powers." The loss of Syria would puncture what Mr. Ahmadinejad's aspira-

tions. Over the years, it is possible that Iran has built a network of contact and sympathy within the Syrian military and security services. It may now be using that network to encourage hard-liners within the beleaguered Assad regime to fight on.

From the start, Tehran media have labeled the Syrian uprising "a Zionist plot," the term they used to describe the pro-democracy movement in Iran itself. In 2009, the mullahs claimed that those killed in the streets of Tehran and Tabriz were not peaceful demonstrators but "Zionist and Infidel" agents who deserved to die. The Assad clan is using the same vicious vocabulary against freedom lovers in Syria as snipers kill them in the streets of Damascus, Deraa and Douma.

*Mr. Taheri is the author of "The Persian Night: Iran Under the Khomeinist Revolution" (Encounter, 2009).*

# LEGAL NOTICES

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re  
**MOTORS LIQUIDATION COMPANY, et al.,**  
f/k/a General Motors Corp., et al.  
Debtors.

Chapter 11 Case No.  
**09-50026 (REG)**  
(Jointly Administered)

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**PLEASE TAKE FURTHER NOTICE** that the Plan and its provisions are binding on the Debtors, the Post-Effective Date Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, the Avoidance Action Trust Administrator, any entity acquiring or receiving property or a distribution under the Plan, and any holder of a claim against or equity interest in the Debtors, including all governmental entities, whether or not the claim or equity interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan.

**PLEASE TAKE FURTHER NOTICE** that the Effective Date of the Plan (as defined in the Plan) occurred on March 31, 2011 and, as a result, the Plan has been substantially consummated.

**PLEASE TAKE FURTHER NOTICE** that all proofs of claim arising from the rejection of executory contracts or unexpired leases pursuant to the Plan must be filed with the Bankruptcy Court and served upon the Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, and the Avoidance Action Trust Administrator, at the addresses set forth in the Confirmation Order, on or before May 30, 2011. Any claims arising from the rejection of an executory contract or unexpired lease for which a proof of claim has not been filed by such date shall be forever barred and shall not be enforceable against the Debtors, the GUC Trust Administrator, the Asbestos Trust Administrator, the Environmental Response Trust Administrative Trustee, and the Avoidance Action Trust Administrator, or any property to be distributed under the Plan, the GUC Trust, the Asbestos Trust, the Environmental Response Trust, and the Avoidance Action Trust.

Dated: New York, New York  
April 18, 2011

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# Breach complicates Sony's game network

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personal information, including names, birthdates and possibly credit-card numbers. Sony said it is investigating the breach and expects some services to be back online next week.

Furious users vented on social networks such as Twitter asking why the personal data wasn't encrypted. Sony said credit card information was encrypted. As of Wednesday afternoon in Tokyo, Sony said, there have been no reports that the breach resulted in user data being exposed on the Internet or fraudulent credit-card charges. The company didn't disclose whether it determined that credit-card information had in fact been stolen, or how many people might be affected by such theft.

The PlayStation Network, launched in 2006 to allow PlayStation 3 console users to play games online free of charge with one another, is at the heart of Sony's online content delivery strategy. While online game play is still free, the service has evolved over time to allow users to pay and download movies, TV shows and videogames. For example, Sony charges about \$2 for users to download an episode of the animated TV comedy "Family Guy."

Last year, Sony relied heavily on

the PlayStation group's experience to launch its Qriocity online platform to offer streaming-video and music services. The company also tapped into the PlayStation Network's technological infrastructure—data centers and payment systems—to serve as the backbone for its latest online services.

While the security problem remains a concern, Sony is aggressively pushing new products to tap into its growing collection of services. The company said in January that it plans to launch by year-end a new hand-held game machine code-named Next-Generation Portable that will access the PlayStation Network. Mr. Stringer has also said it aims to have smartphones from the company's mobile-phone joint venture, Sony Ericsson, connect to the Qriocity platform for streaming video and music in the future.

On Tuesday, Sony said it will enter the fast-growing tablet-computer segment with two products later this year. The tablets will also connect to Qriocity as well as Sony's electronic bookstore. Kunimasa Suzuki, a Sony executive overseeing the development of new network-connected mobile products, said he sees the new tablets being the "hero" of the company's strategy to integrate services and hardware.







